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Morrissey says most of McKesson money should go to substance abuse programs

STATE AG

By **Chris Dickerson** | May 7, 2019



CHARLESTON – Attorney General Patrick Morrissey says most of the money from the \$37 million settlement with McKesson will be used for substance addiction treatment in the state.

On May 3, two members of the House of Delegates sent a letter to Morrissey's office asking for that to be done.

Delegates Kayla Kessinger (R-Fayette) and Andrew Robinson (D-Kanawha) sent the letter making the request for the money, after reasonable administrative costs, be deposited into the Ryan Brown Addiction Prevention and Recovery Fund.



Morrissey

“This fund is vital to recovery efforts in West Virginia, as our state needs recovery and treatment beds for our residents suffering from substance use issues,” the letter states. “McKesson has shipped over 100 million opioid pills into West Virginia, and the drug epidemic costs our state \$8.8 billion in damage annually.”

In response, Morrissey said most of the money should do just that.

“A portion of the settlement money set aside for the Attorney General’s office will be used to pay for the great work of our Consumer Protection Division, where our attorneys and staff continue work on numerous cases, including efforts to fight opioid abuse,” Morrissey told *The West Virginia Record*. “That said, the vast majority of the settlement money should go to support treatment – to help get people right in the head and in the heart – and to bolster law enforcement efforts to combat substance abuse.

“Ultimately, it is the role of the Legislature to decide how the money will be spent.”

Kessinger said the money desperately is needed for treatment.

“Communities in every part of the state are struggling to fight the effects of the drug epidemic, and they need the help that this funding can provide,” she said.

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Robinson said the Ryan Brown Addiction Prevention and Recovery Fund provides vital funding for recovery and treatment facilities across West Virginia.

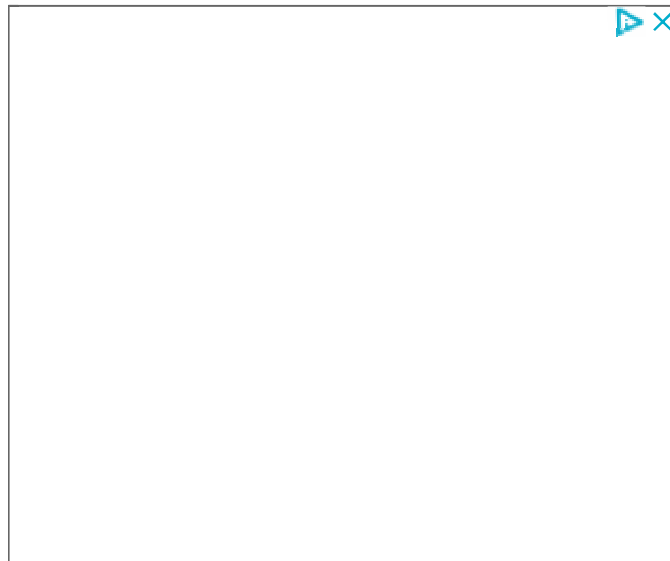
“The money from this settlement can and should be put to use in our communities – communities that have been devastated by the opioid epidemic that has been fueled by excessive, irresponsible shipments of prescription opioids by drug companies like McKesson Corporation,” he said

On May 2, Morrissey and Gov. Jim Justice announced a \$37 million settlement with McKesson Corporation. That settlement, which Morrissey's office says is believed to be the largest state settlement of its kind against a single pharmaceutical distributor, pushes the total paid in West Virginia's pursuit of 13 pharmaceutical wholesalers to more than \$84 million.

Morrissey praised the work of his office.

"I am grateful to our team, which under my watch has done as much or more than any office in the country to fight this terrible epidemic, fix the failed policies of the past and bring accountability to the system," he said. "Aside from the \$84 million recovered from pill distributors, our lawsuit against the DEA brought sweeping reform to the nation's drug quota system and is helping to dramatically reduce the volume of pills in our state.

"Since our team came into office, the number of pills coming into West Virginia has decreased by 35 percent, down significantly from the record-breaking amount of pill proliferation during the asleep-at-the-switch Manchin administration."



Charleston attorney L. Lee Javins of Bailey, Javins & Carter led the AG's outside counsel team on the case. According to the AG's office, legal fees for outside counsel in this case are estimated at \$4.85 million. That is 13.1 percent of the total damages obtained.

Morrissey's office says the McKesson settlement resolves allegations by the state related to the distribution of controlled substances to West Virginia licensed and U.S. Drug Enforcement Administration registered dispensers in the state. It also notes that this settlement does not resolve any allegations brought by counties, municipalities or other political subdivisions within West Virginia.

Morrissey brought the lawsuit along with two departments in Gov. Justice's administration – Health and Human Resources, and Military Affairs and Public Safety. The plaintiffs intend to use their portions of settlement funds to further the collective fight against drug abuse in West Virginia.

McKesson denies the allegations of plaintiffs' complaint and any wrongdoing.

"McKesson is committed to working with others to end this national crisis ... and is pleased that the settlement provides funding toward initiatives intended to address the opioid epidemic," the company said in a statement.

The settlements received approval from the AG's office, the governor and secretaries of the DHHR and DMAPS. All parties agreed to the settlement to avoid the delay, expense, inconvenience and uncertainty of protracted litigation.

The terms of the settlement require McKesson to pay \$14.5 million by within three business days of the case's dismissal with five additional payments of \$4.5 million each year through May 6, 2024.



The AG's office listed previous settlements as well. Those include Cardinal Health (\$20 million), AmerisourceBergen (\$16 million), H.D. Smith (\$3.5 million), Miami-Luken (\$2.5 million), Anda Inc. (\$1,865,250), The Harvard Drug Group (\$1 million), Associated Pharmacies (\$850,000), J.M. Smith Corporation (\$400,000), KeySource Medical Inc. (\$250,000), Quest Pharmaceuticals (\$250,000), Top Rx (\$200,000) and Masters Pharmaceutical LLC (\$200,000).

The national opioid epidemic has prompted lawsuits by state, county and municipal governments accusing drug manufacturers of deceptively marketing opioids and distributors of failing to detect the diversion of the drugs for illicit purposes.

In 2017, McKesson agreed to pay \$150 million to resolve a federal investigation by the U.S. Drug Enforcement Administration about its failure to report suspicious orders of addictive painkillers.



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